

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

CINDY CHARYULU, as Special
Administratrix for the Estate of FATU
TAPUTU)
)
)

10 Plaintiff, } 2:08-cv-1199-RCJ-RJJ
11 v. } ORDER
12 }
13 CALIFORNIA CASUALTY INDEMNITY }
14 EXCHANGE, and DOES I through V, }
inclusive, ROE CORPORATIONS I through }
V, }

Defendants.

17 Currently before the Court are Plaintiff's Motion for Attorney Fees and Costs (#187);
18 Defendant's Motion for Attorney's Fees and Costs (#252); Plaintiff's Motion for Judgment
19 Notwithstanding the Verdict (#261); Plaintiff's Motion for a New Trial (#262); and Defendant's
20 Motion to Interplead Funds and Motion for \$15,000 Offset Against Costs Owed to CCIE by
21 Plaintiff (#264). The Court heard oral argument on June 3, 2011.

BACKGROUND

23 Christopher Ramirez and Kamila Pasina, as the Special Administrator of the Estate
24 of Fatu Taputu, brought a claim against Defendant California Casualty Indemnity Exchange
25 for breach of contract, insurance bad faith, and other theories of recovery for the manner in
26 which Defendant handled a claim for personal injuries stemming from an automobile accident
27 which occurred on June 21, 2004. Tricia Maldonado, who had a personal liability policy with
28 Defendant insurance company, gave Christopher Ramirez permission to drive her car. While
driving her car, he struck Fatu Tatupu as he was walking on the side of the road. Tatupu

1 suffered fatal injuries and his heirs submitted a claim under the liability portions of Defendant's
 2 policy for the vehicle. Pasina, on behalf of Taputu's estate, submitted a claim with the
 3 Defendant and also filed against Ramirez for negligence, and against Tricia Maldonado for
 4 negligent entrustment. The case against Ramirez was resolved in a stipulated judgment for
 5 \$1.2 million, not involving Defendant. The case against Maldonado was resolved by a jury trial
 6 in which the jury found in favor of Maldonado. Ramirez pled guilty when criminal charges were
 7 brought against him for driving under the influence and or being under control of a vehicle
 8 resulting in substantial bodily harm. The Court dismissed Ramirez from the lawsuit.

9 On September 17, 2010, the Court granted Plaintiff's motion to amend caption and
 10 change the Special Administrator of the Estate of Fatu Taputu to Cindy Charyulu ("Plaintiff").
 11 (Minutes (#186); Motion to Amend Caption (#148)). A five-day jury trial commenced on
 12 November 5, 2010. (See Minutes (#237)). The jury found in favor of Defendant. (See Jury
 13 Verdict (#246)).

14 DISCUSSION

15 I. Plaintiff's Motion for Attorney Fees and Costs Incurred (#187)

16 Plaintiff files a motion, pursuant to 28 U.S.C. § 1927, for attorneys fees and costs
 17 incurred in opposing Defendant's Renewed Motion for Summary Judgment (#137),
 18 Countermotion to Dismiss (#153), Motion for Sanctions (#154), Motion to Deem Assignment
 19 Invalid (#159), and Renewed Motion to Disqualify David Sampson, Esq. (#175). (Mot. for Att'y
 20 Fees (#187) at 1-2). Plaintiff argues that she should get fees for responding to Defendant's
 21 Renewed Motion for Summary Judgment (#137) because it was the fourth motion for summary
 22 judgment filed in this case. (*Id.* at 3). She seeks \$8,837.50 in fees for that motion. (See *id.*
 23 at 4). She seeks \$10,512.50 in fees for responding to Defendant's Countermotion to Dismiss
 24 (#153) and Motion for Sanctions (#154) because Defendant filed three motions to dismiss.
 25 (*Id.* at 4-5). She seeks \$5387.50 in fees for responding to Defendant's Motion to Deem
 26 Assignment Invalid (#159) because Defendant "elected to collaterally attack" the assignment
 27 instead of accepting the Court's ruling on the assignment's validity. (*Id.* at 5). She seeks
 28 \$4275 in fees for responding to Defendant's Renewed Motion to Disqualify David Sampson,

1 Esq. (#175) because Defendant filed the motion instead of accepting the Court's ruling. (*Id.*
 2 at 6).

3 In response, Defendant argues that its motions for summary judgment were not
 4 duplicative. (Resp. to Mot. for Att'y Fees (#194) at 4-6). Defendant asserts that the motions
 5 to dismiss were not duplicative and that Plaintiff failed to offer an argument as to why she was
 6 entitled to fees for its motion for sanctions (#154). (*Id.* at 6-7). Defendant contends that its
 7 motion to deem the assignment invalid was not duplicative of an earlier motion. (*Id.* at 7).
 8 Defendant argues that most of these motions were filed after depositions. (*Id.* at 2).
 9 Defendant contends that its motions to disqualify were not identical and that the renewed
 10 motion was filed after depositions. (*Id.* at 8).

11 Pursuant to 28 U.S.C. § 1927, “[a]ny attorney or other person admitted to conduct
 12 cases in any court of the United States . . . who so multiplies the proceedings in any case
 13 unreasonably and vexatiously may be required by the court to satisfy personally the excess
 14 costs, expenses, and attorneys' fees reasonably incurred because of such conduct.” 28
 15 U.S.C. § 1927. Sanctions under this section “must be supported by a finding of subjective bad
 16 faith.” *In re Keegan Mgmt., Sec. Litig.*, 78 F.3d 431, 436 (9th Cir. 1996). “Bad faith is present
 17 when an attorney knowingly or recklessly raises a frivolous argument, or argues a meritorious
 18 claim for the purpose of harassing an opponent.” *Id.*

19 In this case, the Court denies the motion for attorneys' fees and costs for responding
 20 to various motions. First, Plaintiff fails to make an argument as to why she should receive fees
 21 for responding to the Motion for Sanctions (#154). (See Mot. for Att'y Fees (#187) at 4-5).
 22 Second, although Defendant filed multiple summary judgments, each sought summary
 23 judgment on different issues, including bad faith, punitive damages, and validity of an October
 24 7, 2009 assignment. (See Mot. for Summ. J. (#57); Mot. for Partial Summ. J. (#87); Mot. for
 25 Summ. J. (#159)). Additionally, Defendant's renewed motion for summary judgment (#137)
 26 sought reconsideration of the Court's prior ruling based on a then-recently decided federal
 27 Nevada case. (See Renewed Mot. for Summ. J. (#137) at 1-2). Third, although Defendant
 28 filed multiple motions to dismiss, each sought dismissal on a different ground, including lack

1 of standing for Christopher Ramirez and Kamilla Pasina as third party beneficiaries, lack of
2 standing for Pasina for failure to demonstrate a valid assignment of rights, and attorney fraud.
3 (See Mot. to Dismiss (#9) at 5, 8; Mot. to Dismiss (#27) at 1; Counter Motion to Dismiss (#153)
4 at 11). Finally, the two motions to disqualify Plaintiff's counsel were different because the
5 latter motion was based on evidence acquired after depositions were conducted. (See
6 Renewed Mot. to Disqualify (#175) at 3-4). Accordingly, the Defendant did not act in bad faith
7 and the Court denies the motion for attorneys' fees and costs (#187).

8 **II. Defendant's Motion for Attorneys' Fees and Costs (#252)**

9 Defendant moves for \$548,486 in attorneys' fees and \$25,857.19 in costs as the
10 prevailing party in this action. (Mot. for Att'y Fees (#252) at 1, 3). Specifically, Defendant
11 seeks costs as the prevailing party under Fed. R. Civ. P. 54(d)(1) and NRS § 18.020. (*Id.* at
12 4). Defendant seeks costs and attorneys' fees under Fed. R. Civ. P. 68 and NRS § 17.115
13 because Plaintiff failed to recover more than Defendant's tendered offer of judgment. (*Id.* at
14 5). Defendant also seeks attorneys' fees under NRS § 18.010 because Plaintiff brought
15 claims without reasonable grounds, in bad faith, to harass Defendant. (*Id.* at 7-13). Defendant
16 seeks fees and costs under 28 U.S.C. § 1927 and under this Court's inherent authority. (*Id.*
17 at 13, 15). Defendant argues that any award of attorneys' fees and costs should also be
18 imputed to University Medical Center ("UMC") because Plaintiff's counsel and UMC arranged
19 to have Charyulu of UMC substituted as the Special Administratrix of the Estate. (*Id.* at 17).
20 In support of its motion, Defendant attaches a Bill of Costs, Witness Fees, a Memorandum of
21 Costs, an Expense Report, and Time Detail Reports. (See Exhs. C-D (#252-3, 252-4)).

22 In response, Plaintiff argues that she was the prevailing party because this Court
23 granted her motion for a directed verdict on the breach of contract claim. (Opp'n to Att'y Fees
24 (#259) at 3). She asserts that Defendant prevailed on the bad faith claim while she prevailed
25 on the breach of contract claim in which Defendant agreed to pay the \$15,000 policy limit and,
26 thus, costs are not warranted. (*Id.* at 4). Alternatively, she argues that if costs are awarded,
27 they should be reasonable and supported by necessary documentation. (*Id.*). She asserts that
28 Defendant "provided no such documentation and simply listed the alleged costs out in a cost

1 memo." (*Id.*). She asserts that Defendant needs to present receipts and check stubs. (*Id.* at
 2 9). She asserts that NRS § 17.115 does not allow an award of attorneys' fees in this action
 3 because it conflicts with Fed. R. Civ. P. 68. (*Id.* at 5-6). She asserts that her actions were not
 4 unreasonable or vexatious and that no attorneys' fees are warranted under 28 U.S.C. § 1927
 5 or NRS § 18.010(2)(b). (*Id.* at 6-9).

6 In reply, Defendant asserts that Plaintiff was not the prevailing party on the breach of
 7 contract claim because that claim was not sent to a jury and there was no verdict. (Reply to
 8 Mot. for Att'y Fees (#270) at 3-4). Defendant argues that Plaintiff does not dispute the costs
 9 incurred by Defendant because she only states that it should be supported by the necessary
 10 documentation. (*Id.* at 5). Defendant notes that Plaintiff does not dispute that an award of
 11 costs and fees should be imputed to UMC. (*Id.* at 10).

12 **A. Costs**

13 Federal Rule of Civil Procedure 54(d) provides that “[u]nless a federal statute, these
 14 rules, or a court order provides otherwise, costs—other than attorney's fees—should be allowed
 15 to the prevailing party.” Fed. R. Civ. P. 54(d)(1). For purposes of this rule, a “party in whose
 16 favor judgment is rendered is generally the prevailing party for purposes” of this rule.
 17 *d'Hedouville v. Pioneer Hotel Co.*, 552 F.2d 886, 896 (9th Cir. 1977). Rule 54 defines
 18 “judgment” as “a decree and any order from which an appeal lies.” Fed. R. Civ. P. 54(a).

19 Nevada Revised Statute § 18.020 states that “[c]osts must be allowed of course to the
 20 prevailing party against any adverse party against whom judgment is rendered . . . In an action
 21 for the recovery of money or damages, where the plaintiff seeks to recover more than \$2,500.”
 22 NRS § 18.020(3).

23 In this case, the Court entered a judgment on jury verdict in favor of Defendant.
 24 (Judgment (#256)). However, the Court also granted Plaintiff's motion for a directed verdict
 25 on the breach of contract claim for \$15,000. (Minutes (#241) at 2). Therefore, both parties
 26 prevailed in this action. Accordingly, the Court denies costs to both parties.

27 **B. Attorneys' Fees under Offer of Judgment Rule**

28 Under Federal Rule of Civil Procedure 68, a party defending a claim may serve on an

1 opposing party, at least 14 days before a date set for trial, an offer to allow judgment on
 2 specified terms, with the costs then accrued. Fed. R. Civ. P. 68(a). If the offeree rejects the
 3 offer and the “judgment that the offeree finally obtains is not more favorable than the
 4 unaccepted offer, the offeree must pay the costs incurred after the offer was made.” Fed. R.
 5 Civ. P. 68(d).

6 Nevada has a similar “offer of judgment” rule but provides that if the party who rejects
 7 an offer of judgment fails to obtain a more favorable judgment, the court “may order the party”
 8 to pay the offering party “[r]easonable attorney’s fees incurred by the party who made the offer
 9 for the period from the date of service of the offer to the date of entry of the judgment.” NRS
 10 § 17.115(4)(d)(3).

11 In diversity cases, the court applies federal law if the law is procedural and state law if
 12 the law is substantive. *Walsh v. Kelly*, 203 F.R.D. 597, 598 (D. Nev. 2001) (citing *Erie R.R.*
 13 Co. v. *Tompkins*, 304 U.S. 64, 58 S.Ct. 817, 82 L.Ed. 1188 (1938)). If the two rules conflict,
 14 the federal rule applies if it is “sufficiently broad to control an issue.” *Id.* (citing *Hanna v. Plumer*, 380 U.S. 460, 471-72, 85 S.Ct. 1136, 14 L.Ed.2d 8 (1965)). “Statutes allowing for
 15 recovery of attorney’s fees are considered substantive for *Erie* purposes” and “will be applied
 16 in diversity cases unless they conflict with a valid federal statute or procedural rule.” *Id.*

17 In *Walsh*, a plaintiff received a judgment which was less than the offer of judgment
 18 made by the defendants. *Id.* at 599. That court addressed whether NRS § 17.115 conflicted
 19 with Fed. R. Civ. P. 68 because the Nevada statute provided for both costs and attorneys’ fees
 20 while the federal rule only provided for costs. *Id.* at 600. The court determined that Fed. R.
 21 Civ. P. 68 was sufficiently broad to cover the point in dispute—offer of judgment rules. *Id.* The
 22 court found that the award of attorneys’ fees in NRS § 17.115 conflicted with Fed. R. Civ. P.
 23 68. *Id.* The court concluded that Fed. R. Civ. P. 68 applied and defendants could not recover
 24 attorneys’ fees based on their rejected offer of judgment. *Id.* at 601.

25 Accordingly, the Court finds that Defendant is not entitled to attorneys’ fees under NRS
 26 § 17.115.

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1 **C. Attorneys' Fees under NRS § 18.010**

2 Under Nevada Revised Statute § 18.010(2), a court may make allowance of attorney's
 3 fees to a prevailing party "when the court finds that the claim, counterclaim, cross-claim or
 4 third-party complaint or defense of the opposing party was brought or maintained without
 5 reasonable ground or to harass the prevailing party." NRS § 18.010(2)(b). "The court shall
 6 liberally construe the provisions of this paragraph in favor of awarding attorney's fees in all
 7 appropriate situations." *Id.* "It is the intent of the [Nevada] Legislature that the court award
 8 attorney's fees pursuant to this paragraph and impose sanctions pursuant to Rule 11 of the
 9 Nevada Rules of Civil Procedure in all appropriate situations to punish for and deter frivolous
 10 or vexatious claims and defenses." *Id.*

11 As noted above, the Court finds that both parties prevailed and, therefore, denies an
 12 award of attorneys' fees under this statute.

13 **D. Attorneys' Fees under 28 U.S.C. § 1927 & Inherent Power**

14 Pursuant to 28 U.S.C. § 1927, "[a]ny attorney or other person admitted to conduct
 15 cases in any court of the United States . . . who so multiplies the proceedings in any case
 16 unreasonably and vexatiously may be required by the court to satisfy personally the excess
 17 costs, expenses, and attorneys' fees reasonably incurred because of such conduct." 28
 18 U.S.C. § 1927. Sanctions under this section "must be supported by a finding of subjective bad
 19 faith." *In re Keegan Mgmt., Sec. Litig.*, 78 F.3d 431, 436 (9th Cir. 1996). "Bad faith is present
 20 when an attorney knowingly or recklessly raises a frivolous argument, or argues a meritorious
 21 claim for the purpose of harassing an opponent." *Id.* Additionally, a "district court has inherent
 22 power to award attorney's fees for bad faith conduct." *Earthquake Sound Corp. v. Bumper
 23 Indus.*, 352 F.3d 1210, 1220 (9th Cir. 2003).

24 The Court makes no finding of bad faith and, therefore, denies an award of attorneys'
 25 fees under § 1927 and its inherent power. Accordingly, the Court DENIES Defendant's motion
 26 for costs and attorneys' fees (#252).

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1 **III. Plaintiff's Motion for Judgment Notwithstanding the Verdict and for a New Trial**
 2 **(#261, 262)¹**

3 **A. Motion for Judgment Notwithstanding the Verdict (#261)**

4 Plaintiff argues for a judgment notwithstanding the verdict because Defendant "failed
 5 to present any evidence whatsoever that its conduct met the industry standards as they relate
 6 to good faith and fair dealing and the unfair claims practices act." (Mot. for JNOV (#261) at
 7 2). Plaintiff asserts that Defendant only presented evidence that it had met its own "best
 8 claims practices" but made no attempt to present evidence that its "best claims practices" met
 9 industry standards. (*Id.* at 2-3). He asserts that the verdict is contrary "to the only reasonable
 10 conclusion that could have been reached in light of the evidence." (*Id.* at 4).

11 Defendant responds that Plaintiff cannot seek a judgment notwithstanding the verdict
 12 because Plaintiff failed to move for judgment as a matter of law at trial on her bad faith and
 13 NRS § 686A.310 claims. (Resp. to Mot. for JNOV (#273) at 4). Defendant lists evidence
 14 presented at trial that demonstrates that it handled Plaintiff's underlying claim in a reasonable
 15 manner. (*Id.* at 4-5).

16 Plaintiff replies that she did move for a directed verdict at the close of the case. (Reply
 17 to Mot. for JNOV (#276) at 2).

18 Pursuant to Fed. R. Civ. P. 50(a), "[a] motion for judgment as a matter of law may be
 19 made at any time before the case is submitted to the jury. The motion must specify the
 20 judgment sought and the law and facts that entitle the movant to the judgment." Fed. R. Civ.
 21 P. 50(a)(2). "If the court does not grant a motion for judgment as a matter of law made under
 22 Rule 50(a), the court is considered to have submitted the action to the jury." Fed. R. Civ. P.
 23 50(b). A movant may file a renewed motion for judgment as a matter of law or a request for
 24 a new trial no later than 28 days after the jury was discharged. *Id.* In ruling on the renewed
 25 motion, a court may allow the judgment on the jury verdict, order a new trial, or direct the entry
 26 of judgment as a matter of law. Fed. R. Civ. P. 50(b)(1)-(3).

27
 28 ¹ The docket entries for these motions are identical. (See generally Docket Sheet
 #261, 262).

The Ninth Circuit has held that “[b]ecause it is a renewed motion, a proper post-verdict Rule 50(b) motion is limited to the grounds asserted in the pre-deliberation Rule 50(a) motion. Thus, a party cannot properly ‘raise arguments in its post-trial motion for judgment as a matter of law under Rule 50(b) that it did not raise in its preverdict Rule 50(a) motion.’” *E.E.O.C. v. Go Daddy Software, Inc.*, 581 F.3d 951, 961 (9th Cir. 2009).

In this case, the trial took place between November 5, 2010, and November 11, 2010. (See Docket Sheet #237-38, 240-42). The parties did not have the trial transcribed. (See generally Docket Sheet). The trial minutes from November 10, 2010, state that the Court denied Defendant’s motion for judgment as a matter of law pursuant to Fed. R. Civ. P. 50(a). (Minutes (#241) at 2). The minutes also state that the Court granted Plaintiff’s motion for a directed verdict on the breach of contract claim for \$15,000. (*Id.*).

In this case, Plaintiff only moved for a Rule 50(a) directed verdict on the breach of contract claim and did not seek a directed verdict on the other claims. Therefore, Plaintiff cannot seek a directed verdict on those claims now. Accordingly, the Court denies Plaintiff’s Rule 50(b) Motion for Judgment Notwithstanding the Verdict (#261).

B. Motion for a New Trial (#262)

Plaintiff argues that she is entitled to a new trial because defense counsel repeatedly made improper arguments at trial. (Mot. for New Trial (#262) at 6). Specifically, Plaintiff asserts that Defendant should not have been able to make arguments about Plaintiff’s underlying motives in pursuing the claim because those arguments are irrelevant and tainted the trial. (*Id.* at 7-9). Plaintiff argues that the Nevada Supreme Court has held that such arguments are irrelevant in *Allstate Ins. v. Miller*, 212 P.3d 318 (Nev. 2009). (*Id.* at 7, 9). Plaintiff also asserts that defense counsel violated the golden rule argument in both opening and closing by telling the jury to “put yourself in the shoes of the insurance company” and “If you had a claim would you want Michelle Minor handling it? I know I would.” (*Id.* at 10-11). Plaintiff argues that defense counsel introduced impermissible evidence regarding Keith Edwards’ religion. (*Id.* at 11-12). Plaintiff contends that this Court issued an inaccurate description of an insurance company’s duties because there is no authority stating that an

1 insurance carrier does not have a duty to pay a claim prior to a demand being made. (*Id.* at
 2 13). Plaintiff alleges that Michelle Minor's crying during her testimony tainted the jury verdict.
 3 (*Id.* at 16). Plaintiff contends that it should have been able to put Brad Ballard, UMC's former
 4 counsel, on the stand to refute Defendant's claim that Plaintiff was trying to set them up. (*Id.*).
 5

6 In response, Defendant argues that it did not engage in any attorney misconduct during
 7 the trial and that, if it did, it was minor. (Resp. to Mot. for New Trial (#273) at 8). Defendant
 8 argues that it complied with the Court's ruling that it could present evidence of what Plaintiff
 9 and her counsel said and did and could argue the reasonable inferences from that evidence.
 10 (*Id.* at 10-11). Defendant acknowledges that during opening arguments it asked the jury to
 11 consider the position Michelle Minor was placed in and during closing asked the jury whether
 12 they wanted Minor adjusting their claim. (*Id.* at 14). Defendant argues that these statements
 13 did not violate the golden rule and that Plaintiff failed to object to either statement at trial. (*Id.*).
 14 Defendant admits that it referenced Keith Edwards' religion but argues that, at trial, the Court
 15 issued an instruction to the jury to disregard such evidence. (*Id.* at 16). Defendant asserts
 16 that there is no duty in Nevada for an insurance company to pay a claim before a demand is
 17 made. (*Id.* at 17).

18 Pursuant to Fed. R. Civ. P. 59(a), a court, on motion, may grant a new trial on all or
 19 some of the issues to any party after a jury trial, "for any reason for which a new trial has
 20 heretofore been granted in an action at law in federal court." Fed. R. Civ. P. 59(a)(1)(A). A
 21 court may grant a motion for a new trial based on grounds that have been historically
 22 recognized. *Molski v. M.J. Cable, Inc.*, 481 F.3d 724, 729 (9th Cir. 2007). "Historically
 23 recognized grounds include, but are not limited to, claims 'that the verdict is against the weight
 24 of the evidence, that the damages are excessive, or that, for other reasons, the trial was not
 25 fair to the party moving.'" *Id.* The trial court may grant a new trial "only if the verdict is contrary
 26 to the clear weight of the evidence, is based upon false or perjurious evidence, or to prevent
 27 a miscarriage of justice." *Id.* In order to have a new trial based on attorney misconduct, "the
 28 'flavor of misconduct must sufficiently permeate an entire proceeding to provide conviction that
 the jury was influenced by passion and prejudice in reaching its verdict.'" *Kehr v. Smith*

1 *Barney, Harris Upham & Co., Inc.*, 736 F.2d 1283, 1286 (9th Cir. 1984).

2 In this case, Plaintiff has failed to demonstrate that any misconduct on behalf of
 3 Defendant's counsel sufficiently permeated the entire trial such that the jury was influenced
 4 by passion and prejudice in reaching its verdict. First, even if Defendant's counsel did make
 5 an improper golden rule argument during opening and closing, the argument was isolated to
 6 one statement at opening and one statement at closing. Moreover, Plaintiff did not make any
 7 objections to those statements. Second, the Court sustained Plaintiff's objection to the Keith
 8 Edwards' religion reference and issued a limiting instruction. Third, *Allstate* does not stand for
 9 the proposition that motives of the underlying claimant or attorney are irrelevant in an action
 10 for bad faith. Instead, the Nevada Supreme Court, in a footnote, simply listed several
 11 arguments made by the insurance company, including "whether the district court improperly
 12 excluded Allstate's evidence regarding [plaintiff's] attorney's motive" and noted that the listed
 13 issues were "without merit." *Allstate*, 212 P.3d at 334. Fourth, NRS § 686A.310(1)(e) does
 14 not state that an insurance carrier has a duty to pay a claim prior to a demand but instead
 15 states that the carrier must effectuate prompt settlements when the "liability of the insurer has
 16 become reasonably clear." See NRS § 686A.310(1)(e). Accordingly, Plaintiff has failed to
 17 demonstrate that attorney misconduct permeated the entire trial, and the Court denies the
 18 motion for a new trial (#262).

19 **IV. Defendant's Motion to Interplead Funds and Motion for \$15,000 Offset Against
 20 Costs Owed to CCIE by Plaintiff (#264)**

21 Defendant seeks an order permitting it to interplead the \$15,000 insurance policy limit
 22 owed to Plaintiff and an order that the \$15,000 be returned to Defendant as an offset against
 23 the total costs owed to Defendant. (Mot. to Interplead Funds (#264) at 1). Defendant asserts
 24 that Fed. R. Civ. P. 22 permits the court to order an interpleader of funds where two or more
 25 parties claim an adverse interest in the entitlement to those funds. (*Id.* at 3). Defendant
 26 asserts that both the estate of Fatu Taputu and UMC claim an interest in the \$15,000 because
 27 UMC is a creditor of the estate. (*Id.*). Defendant asserts that it is a creditor of the estate
 28 because it is entitled to costs as the prevailing party in this lawsuit. (*Id.*).

1 In response, Plaintiff objects to the motion to interplead the funds because it has not
2 been paid the policy limit and Defendant never told the Court that it was going to file such a
3 motion. (Resp. to Mot. to Interplead (#272) at 2). Plaintiff seeks sanctions. (*Id.*). Plaintiff
4 does not object to Defendant's request for an offset. (See *id.*).

5 In reply, Defendant asserts that it has issued the check for \$15,000. (Reply to Mot. to
6 Interplead (#274) at 3).

7 Federal Rule of Civil Procedure 22 states that persons with claims that may expose a
8 defendant to double or multiple liability may be joined as defendants and required to
9 interplead. Fed. R. Civ. P. 22(a)(1)-(2). Pursuant to 28 U.S.C. § 1335(a), the "district courts
10 shall have original jurisdiction of any civil action of interpleader . . . filed by any person, firm,
11 or corporation, association, or society . . . providing for the delivery or payment . . . of money
12 or property of such amount or value [of \$500 or more], or being under any obligation written
13 or unwritten to the amount of \$500 or more" if the adverse claimants have diversity and are
14 claiming to be entitled to such money. 28 U.S.C. § 1335(a)(1).

15 In this case, the Court denies Defendant's motion for a \$15,000 offset (#264) and
16 orders Defendant to issue Plaintiff a check for \$15,000. Additionally, the Court denies
17 Defendant's motion to interplead (#264).

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CONCLUSION

For the foregoing reasons, IT IS ORDERED that Plaintiff's Motion for Attorney Fees and Costs (#187) is DENIED.

IT IS FURTHER ORDERED that Defendant's Motion for Attorney's Fees and Costs (#252) is DENIED.

IT IS FURTHER ORDERED that Plaintiff's Motion for Judgment Notwithstanding the Verdict (#261) is DENIED.

IT IS FURTHER ORDERED that Plaintiff's Motion for a New Trial (#262) is DENIED.

IT IS FURTHER ORDERED that Defendant's Motion to Interplead Funds and Motion for \$15,000 Offset Against Costs Owed to CCIE by Plaintiff (#264) is DENIED.

DATED: This 5th day of July, 2011.



United States District Judge